

Notice No.: 92-013
Date: July 14, 1992
Applies to: PERS Employers
Subject: Documenting Eligibility Determinations

Documenting your eligibility determinations provides you with an important record of why you considered a particular employee's position eligible or ineligible. The information in this Notice will assist you in identifying the key information to include in your documentation, and a model documentation outline is attached.

Careful documentation protects you, the employer, in the event any questions arise about an eligibility determination. An employee may question your determination at some time in the future. Also, Department of Retirement Systems (DRS) staff may ask how you determined that an employee was reportable or not reportable. In addition, written documentation creates a permanent audit trail for those other than the individual making the initial determination.

A model worksheet is attached which shows information you should consider recording when you document eligibility determinations. At your option, you may copy and use this worksheet to create your documentation. Or you may use the information on this worksheet to establish your own documentation procedures. Eligibility documentation is for your records. DRS may ask to review these records when auditing an employee's file.

Employers are required by RCW 41.50.130(3)(a) to solicit a written statement from all new employees indicating whether or not they have retired from a Washington State retirement system. This statement may be incorporated into your documentation of eligibility determinations. On the model worksheet, this information is documented in the first section, "Retirement Status."

The most important fact to document is whether you have placed an employee into an eligible or ineligible position. On the model worksheet, this information is documented in the second section “Current Position.” Both your Transmittal Reporting Handbook and DRS Notice 92-002 give guidance on evaluating position eligibility for PERS. If you determine a position is ineligible, it is important to note the reason why—how the position fails to meet the definition of eligible. Determinations should be reviewed periodically and any changes in the position should be documented.

The third section of the model worksheet, “Employee’s Understanding of Position Eligibility,” allows you to record that the employee is aware of whether he or she is eligible for PERS membership. This type of documentation may help protect you if the employee has questions about your determination at a later date.

In the final section of the model worksheet, “Eligibility Review,” you can record the results of your periodic reviews of the employee’s eligibility. This area can also be used to note changes in the employee’s position which might change PERS eligibility.

Questions?

If you have any questions, please contact DRS Membership Services at 753-3113 or SCAN 234-3113.

Jerry Long
Assistant Director
Operations